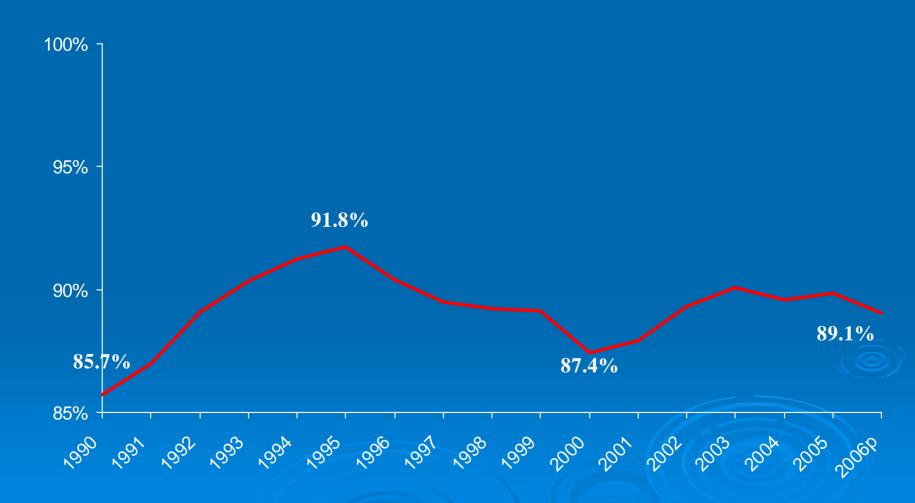
Education In Tennessee: At a Crossroads?

Generation Tennessee June 13, 2008 "When I compare our high schools to what I see when I'm traveling abroad, I am terrified for our work force of tomorrow. In math and science, our fourth graders are among the top students in the world. By eighth grade, they're in the middle of the pack. By 12th grade, U.S. students are scoring near the bottom of all industrialized nations. . . . The percentage of a population with a college degree is important, but so are sheer numbers. In 2001, India graduated almost a million more students from college than the United States did. China graduates twice as many students with bachelor's degrees as the U.S., and they have six times as many graduates majoring in engineering. In the international competition to have the biggest and best supply of knowledge workers, America is falling behind."

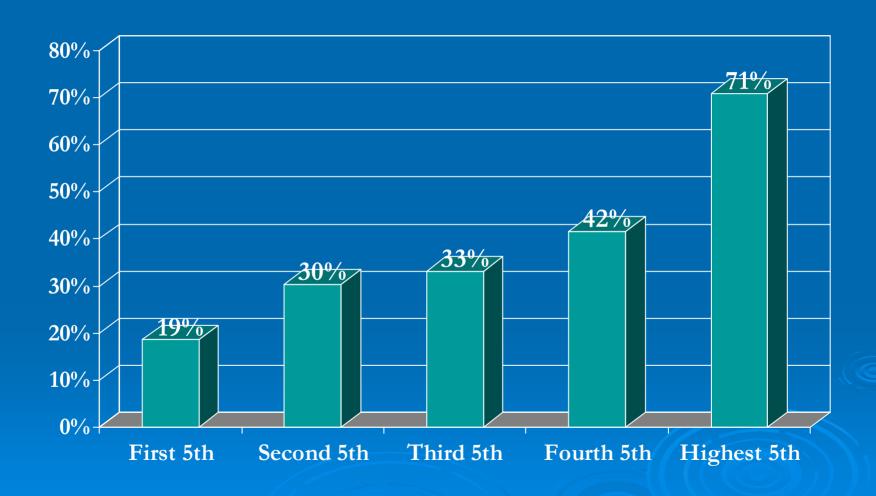
⁻ Bill Gates, "America's High Schools are Obsolete" Speech given to National Governors Association, February 26, 2005

- A 2005 survey of manufacturers by National Association of Manufacturers found:
 - 84% do not believe K-12 schools are doing a good job
 - 80% of are experiencing a shortage of qualified workers; they need problem solving skills, reading, writing and communication skills
 - They want more investment in teacher education, science and math instruction, and career education in school
- For students in elementary school today, the majority of jobs they will hold do not exist (Jim Carroll)
- In today's global economy, work gets done where it is most effective and efficient (Thomas Freidman)

Tennessee Per Capita Income as a Percent of the U.S., 1990-2006



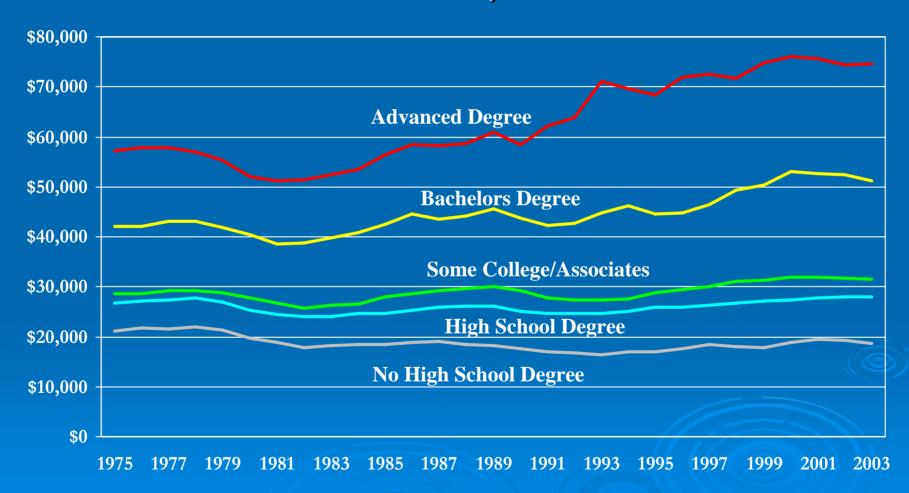
Income Changes for Tennessee Families Early 1980s to Early 2000s, by quintiles



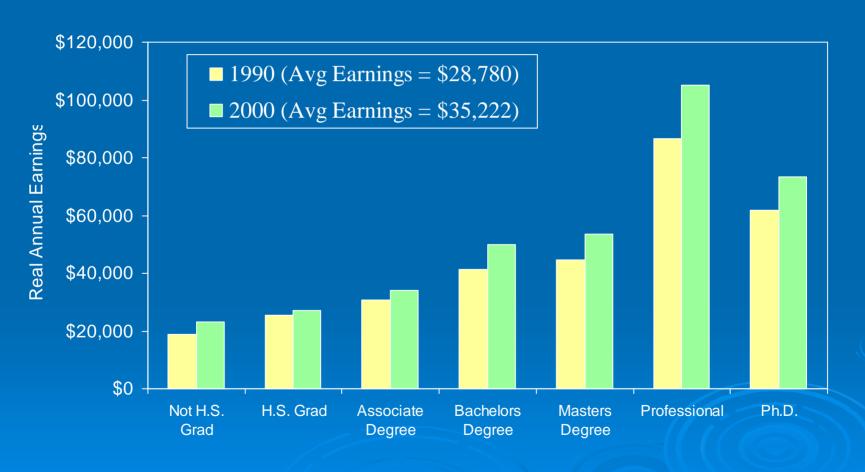
Income Gaps, Early 2000's Tennessee

	Rank (1 is most unequal)
Richest 5 th vs. Poorest 5 th	3
Richest 5 th vs. Middle 5 th	5

Mean Earnings by Degree Level—Adjusted to 2003 Dollars (Using Consumer Price Index)

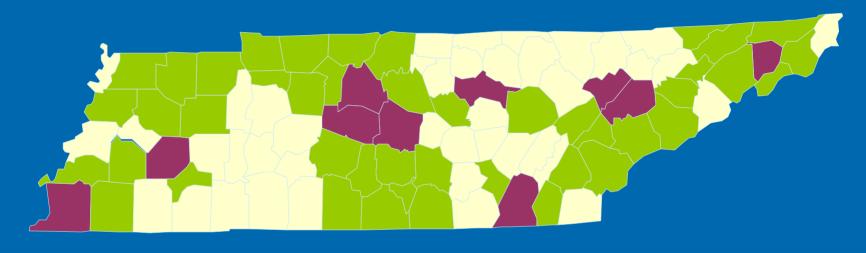


Educational Attainment And Economic Well-being (Real Average Earnings): Tennesseans Aged 25 And Older



Source: CBER, UT

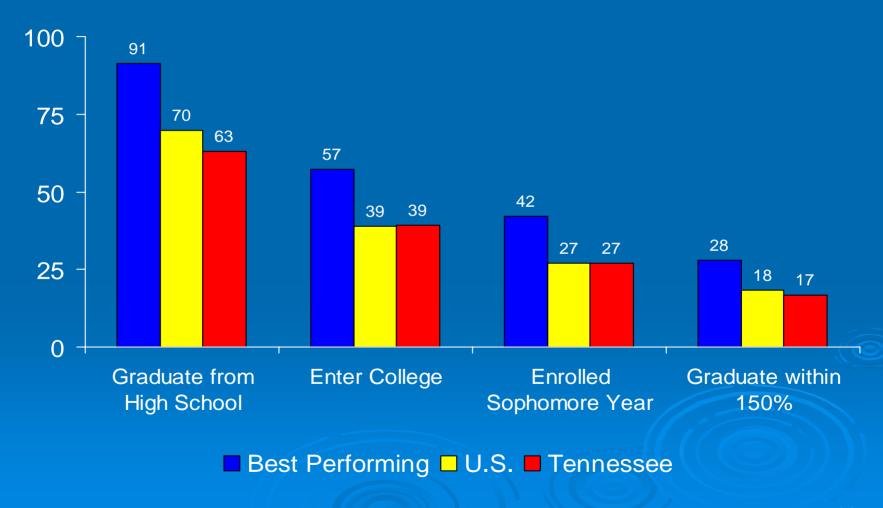
Over, Percent With At Least A Bachelor's Degree, 2000



TN Average = 19.6% U.S. Average = 24.4%

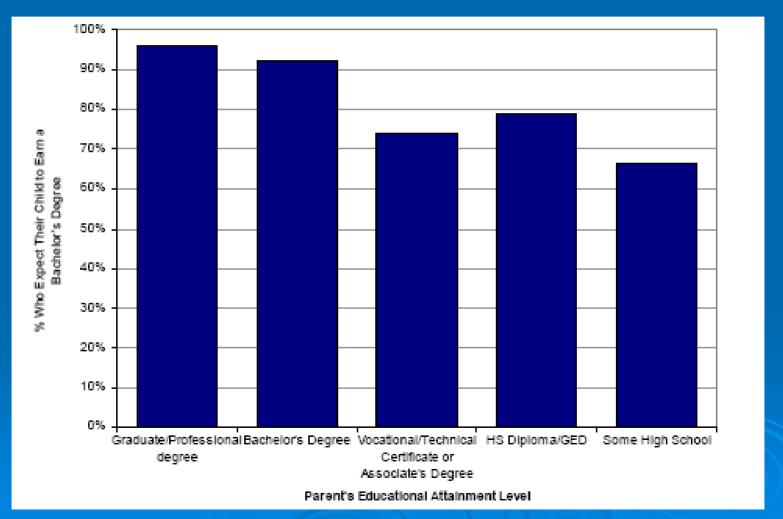
Less than 10.0% 10.0% to 19.6% Greater than 19.6%

The Student Pipeline - Tennessee, 2004



Percent of Parents Who Expect Their Children to Earn a Bachelor's Degree

By Educational Attainment Level



K-8 All Students Achievement 2003 to 2006 State Report Card

State

	2006			2003		
CRT	% Below Proficien	% Proficient	% Advanced	% Below Proficient	% Proficient	% Advanced
Math	12.0	48.0	40.0	20.7	49.3	30.0
Reading	9.0	53.0	38.0	20.3	48.7	31.0

National Ranking of Difference between State Proficiency and NAEP Proficiency

Tennessee

46

Out of 50 states ranked on the difference between the share of 4th graders rated proficient on the state reading test, compared to the NAEP test (1= best, 50= worst)

Tennessee

43

Out of 47 states ranked on the difference between the share of 8th graders rated proficient on the state reading test, compared to the NAEP test (1= best, 47= worst)

Tennessee

49

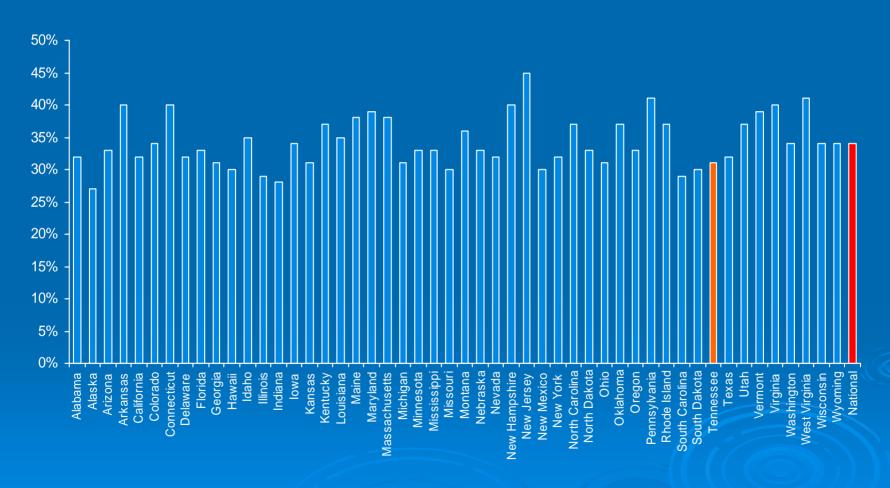
Out of 50 states ranked on the difference between the share of 4th graders rated proficient on the state math test, compared to the NAEP test (1= best, 50= worst)

Tennessee

47

Out of 47 states ranked on the difference between the share of 8th graders rated proficient on the state math test, compared to the NAEP test (1= best, 47= worst)

Public High School College Readiness Rates by State – 2002



SOURCE: Center for Civic Innovation, Manhattan Institute, *Public High School Graduation and College-Readiness Rates:* 1991-2002, Table 6, No. 8, February 2005

Part II: Measuring College Readiness

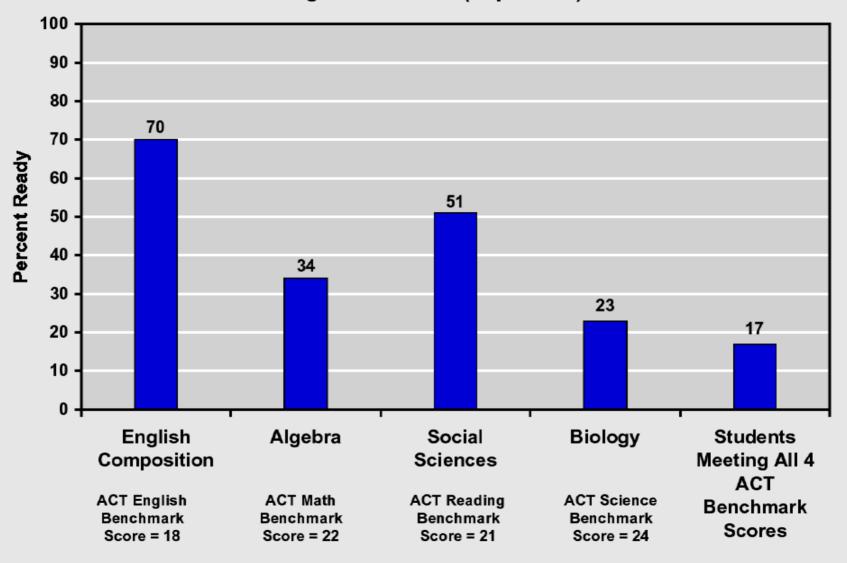
>ACT College Readiness Benchmark Scores

>Through collaborative research with postsecondary institutions nationwide, ACT has established the following College Readiness Benchmark Scores:

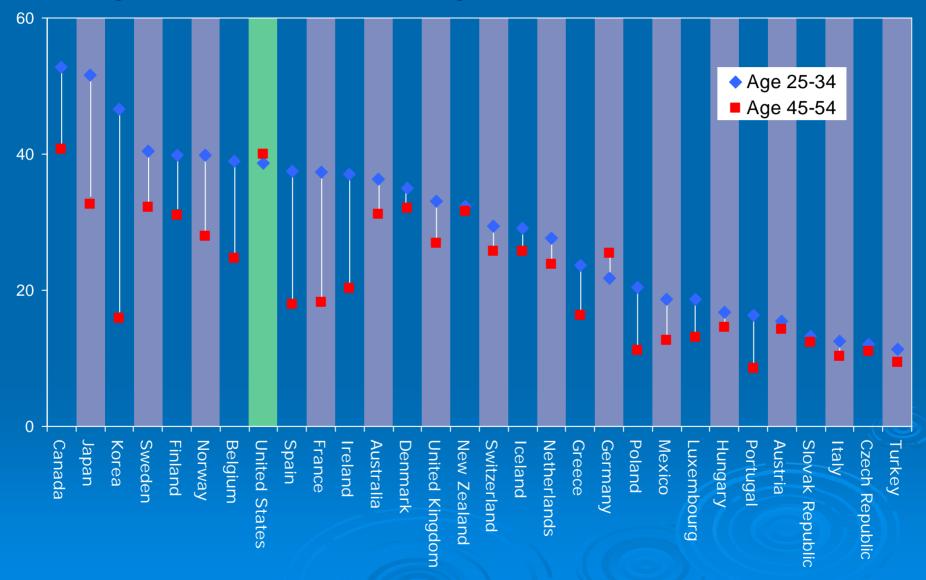
ACT Subject Area Test	College Course(s)	College Readiness Benchmark Score
English	English Composition	18
Math	Algebra	22
Reading	Social Sciences	21
Science	Biology	24

>A benchmark score is the minimum score needed on an ACT subject area test to indicate a 50% chance of obtaining a B or higher or about a 75% chance of obtaining a C or higher in the corresponding credit-bearing college courses.

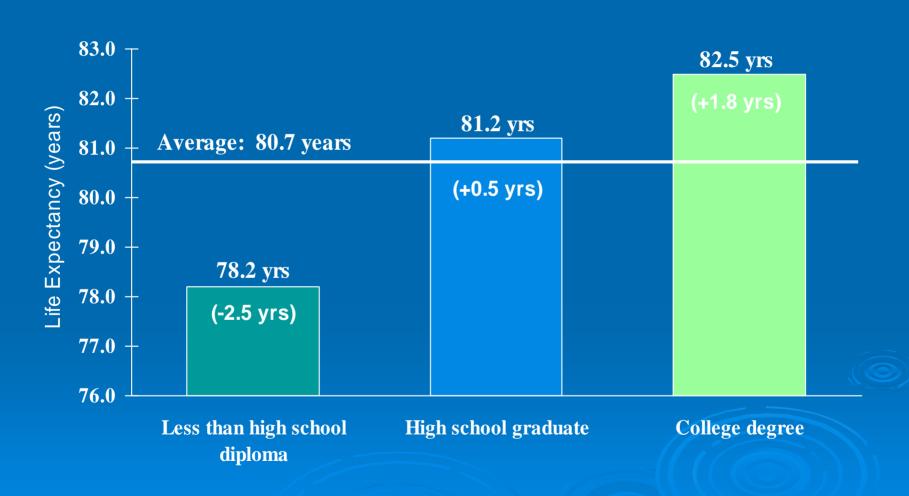
2006 Tennessee ACT-Tested Graduates Likely to Be Ready for College-Level Work (in percent)



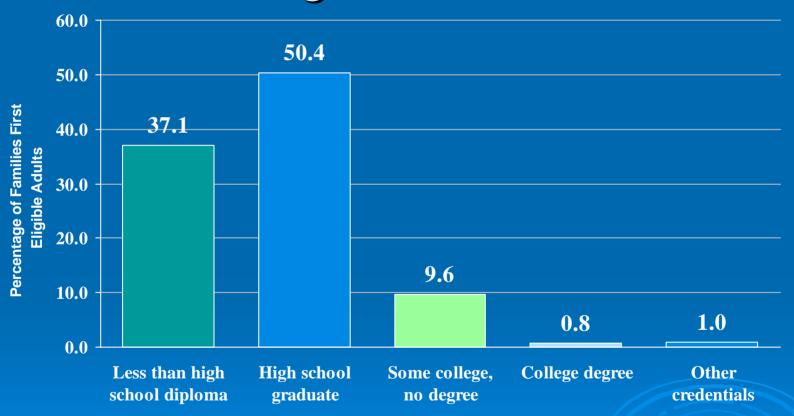
Differences in College Attainment (Associate and Higher) Between Young and Older Adults, 2000



A Person Without a High School Diploma has a Shorter Life Expectancy



Highest Grade of School Completed by a Families First Eligible Adult

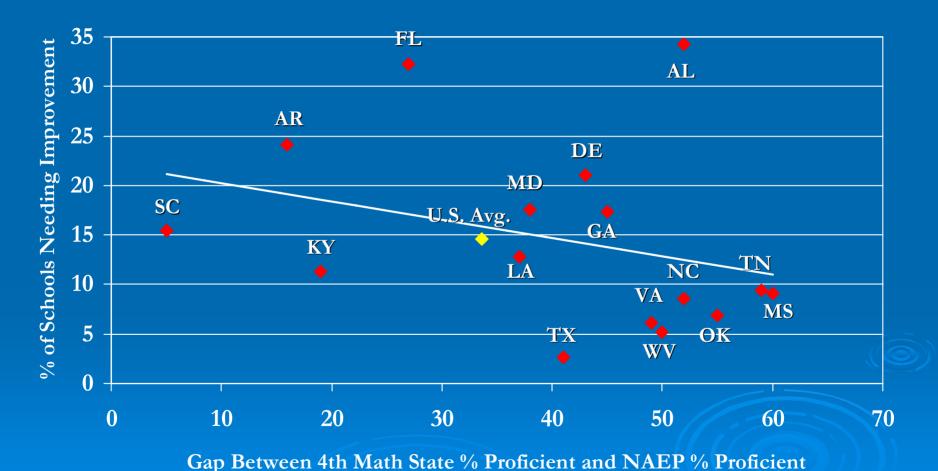


Source: Center for Business & Economic Research, University of Tennessee, Families First 2005 Case Characteristics Study.

Heading In The Right Direction

- Tennessee participating in American Diploma project.
 - More closely aligned with national standards
 - Raise high school graduation requirements to increase the value of a high school diploma
 - Improve the alignment of curriculum content, assessments and exit requirements
 - Improve integration of educational levels from Pre-k through senior level of college

Relationship between Proficiency Gap and % of Schools In Need of Improvement – 2005



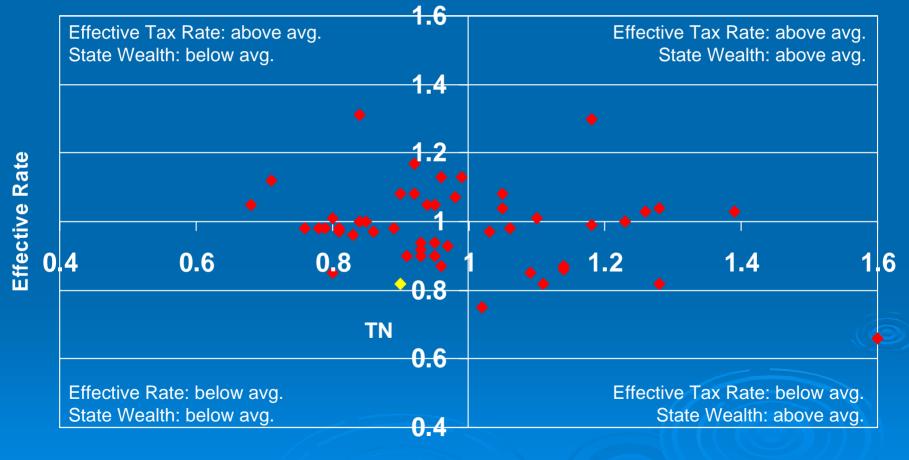
Reporting Progress

- The impact of making school harder means more schools will not meet standards for measured progress, INITIALLY.
- Informed public will serve a vital role (negative or positive)
 - Will be the interpreter of the results of the changes
 - Everyone needs to know what is happening in schools and why.
- How the public interprets the initial results from the American Diploma changes will be very important to the long-term success.

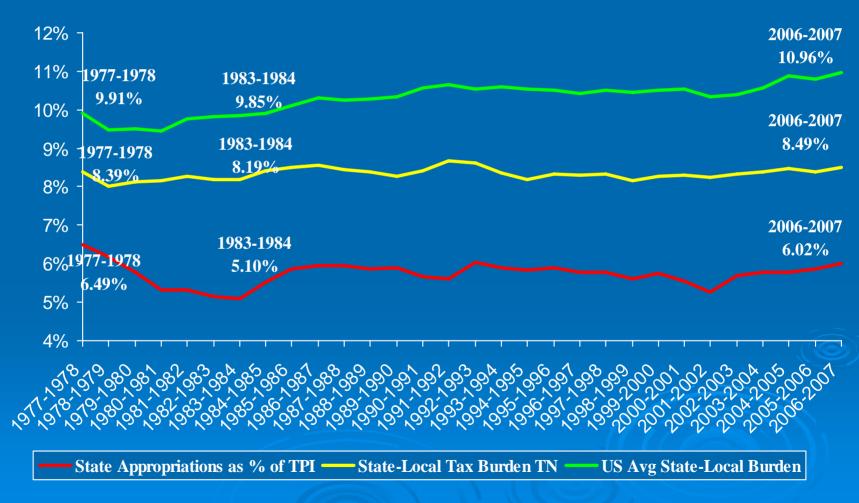
Education Crossroads

- A book about how education affects our lives and the lives of those around us.
- The data is easily accessed and verified through online and other sources.
- Broken into 6 chapters: Future, Foundation, Prosperity, Family, Citizenship, and Public Sector.
- If we cannot articulate and document how education matters, we cannot develop the momentum for change.

Taxable Resources and Effective Tax Rate Indexed to National Average -FY04

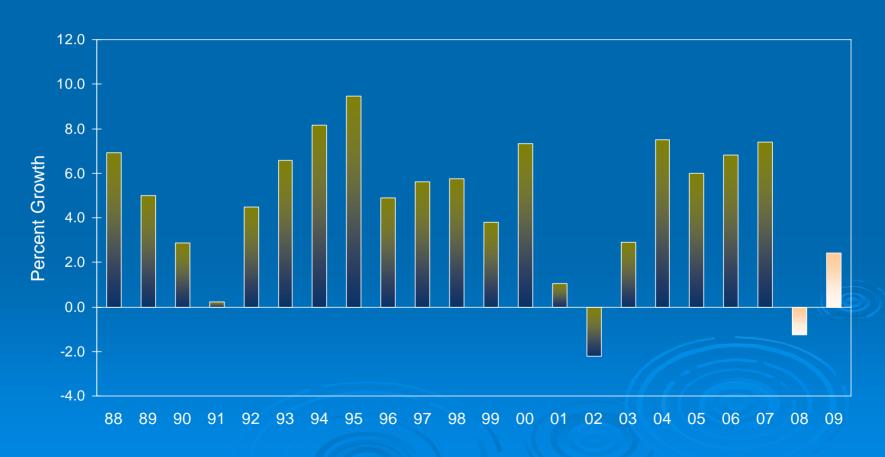


Various Tax Burden Measures as a Percent of Personal Income

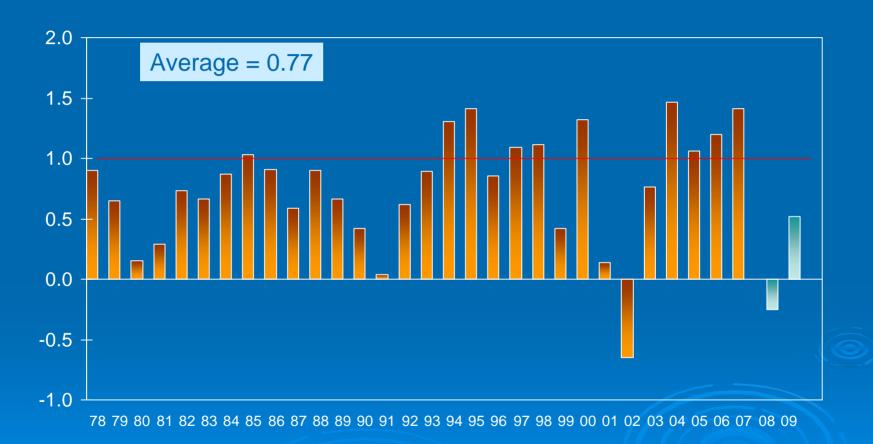


Source: Bureau of Economic Analysis.

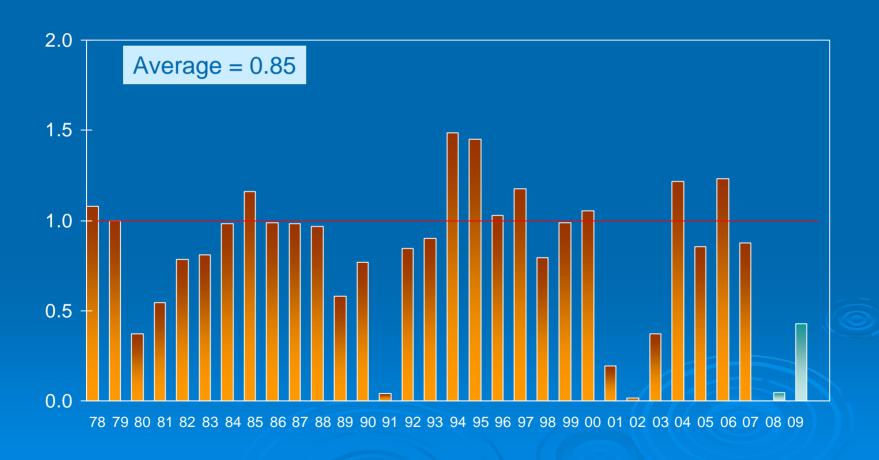
GROWTH IN ADJUSTED TOTAL TAX COLLECTIONS



ELASTICITIES FOR ADJUSTED TOTAL TAX COLLECTIONS



ELASTICITIES FOR ADJUSTED SALES TAX



2007 State and Local Tax Burden as Share of Personal Income in the SREB States



^{*}Average of SREB states excluding Tennessee. The SREB average including Tennessee is 10.1%

Source: The Tax Foundation

The Student Pipeline - Tennessee, 2004

